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Canada. Fisheries Prices
... Support Board

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A CANADIAN FISHERIES PUBLICATION

FISHERIES PRICES SUPPORT BOARD

A FACTUAL REFERENCE
REGARDING ITS ORIGIN,
PURPOSE AND POWERS





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This booklet has been prepared by the Fisheries Prices Support Board for the information of the press and members of the public generally. In the main, it is a paraphrase of the Fisheries Prices Support Act, under which the Board has been established. Copies of the Act may be obtained by the public, of course, but I thought that it might be useful to make available some other paper which would indicate, in wording less formal than the language of the statute, Board objects and powers, the means of financing Board operations, and methods which the Board may employ.

Geo. A. MacMillan

Minister of Fisheries

Ottawa,

April, 1948

The Board and Its Functions

Briefly put, the Fisheries Prices Support Board is an agency created under authority of an act of Parliament for the purpose of assisting Canada's fisheries to achieve an orderly reconversion from wartime abnormality to the operating conditions of peace.

The Board's function is, in effect, twofold. There is responsibility for promoting orderly fisheries adjustment from wartime to peacetime conditions and thus endeavouring to ensure adequate and stable fisheries returns. There is also the duty of seeking to secure a fair relationship between the returns from fisheries and those from other occupations.

Achievement of Board objects would not only lessen the difficulties of the transitional period but it would likewise aid the country's fishing industry in establishing for itself a new and continuing security for subsequent years.

Set up in July, 1947, the Board was appointed under authority of a statute which, by short title, is known as the Fisheries Prices Support Act, 1944.

The Board is under the direction of the Minister of Fisheries and consists of five members who are representative of fishermen, management, and government. In considering regional problems it has the assistance of Regional Advisory Committees which are made up of representatives of fishermen and management. The chairmen and vice-chairmen of these three groups act also as the Board's National Advisory Committee. A list of officers and members of the Board, and of officers and members of the Regional Committees, may be found at the end of this booklet.

Apart from the Chairman of the Board, the members of the Board and the Committees serve without salary. However, they are reimbursed for travelling and living expenses which they incur while engaged in Board affairs and they receive also per diem allowances while so engaged. The Chairman receives no per diem allowance.

Later pages of this booklet will indicate the powers of the Board in more or less detail. In these introductory paragraphs, however, it may be sufficient to say that among its major powers is the authority to engage in buying fisheries products under prescribed conditions and to dispose of them by sale or otherwise. Another is the power to pay to the producer of a fisheries product the difference between a price prescribed by the Board, with the approval of the Governor in Council, and the average price the product had commanded during a specified period, if this average price had been lower than the prescribed price.

The Board, however, has no power to fix prices, whether prices to the consumer or to anybody else. It may set the prices at which it will itself make purchases but it has no authority over market price levels such as was exercised by the Wartime Prices and Trade Board during the war. Buying and selling done by the Support Board may *influence* market prices for fisheries products but the Board cannot *fix* prices. Neither has it any jurisdiction over operations in the fishing industry or fish trade.

Money for carrying on such dealings in fisheries products as may from time to time be necessary is available to the Board from the country's Consolidated Revenue Fund in the maximum aggregate amount of \$25,000,000, but only on the recommendation of the Treasury Board and the authorization of the Governor in Council. Administrative expenses are met from a parliamentary appropriation voted for this purpose.

So much by way of introduction and summary. Something more now in the way of detail.

What the Board May Do

Section 9 is the part of the Act which relates to Board powers. It sets out those powers in legal phrasing, of course, but the purpose of this booklet will be met by outlining, in several of the following paragraphs, what the Board is authorized to do. First, however, it may be pointed out that in what measure and by precisely what means the Board's powers may require to be exercised, and what expenditures the Board may have to make for the support of prices, will depend upon events and needs as they develop in the fisheries. Since conditions fluctuate from time to time in the fisheries as a whole, and in individual fisheries, it follows that Board programme must be capable of considerable flexibility. It is quite possible, for example, that prices prevailing in one fishery might need to be supported at the very time that prices in other fisheries need no support at all. Board procedure, then, may vary in different cases and at different times.

Subject to the regulations of the Governor in Council, the Board may do these things :

It may buy fisheries products, paying for them such prices as it has itself prescribed with the approval of the Governor in Council, and dispose of them by sale or otherwise at its discretion.

In prescribing prices the Board must endeavour to ensure adequate and stable returns for fisheries and a fair relationship between the returns from fisheries and those from other occupations.

In dealing in fisheries products the Board may act directly or by means of Commodity Boards or other agents of its own appointment, subject to the proviso that the membership of Commodity Boards must include representatives of the primary producers or, in other words, the fishermen. Actually, moreover, it is not only in buying products and disposing of them that the Support Board may employ agents. The legislation gives it the right "to enter into contracts or appoint agents to do anything authorized under this Act."

The Board may package, process, store, ship, transport or export products of the fisheries. It may also act for any department of the federal Government in purchasing fisheries products which that department asks to be bought for its purposes. Further, the Board may act for the Government in purchasing and exporting any fisheries commodities required under any contract or agreement between the Government and any other government or its agency. In transactions of this latter kind the purchases may be made at either market or contract prices.

Quality a Condition of Purchase

An important condition or reservation attaches to the Board's power to make purchases at prices which it has prescribed. The condition is that the goods purchased must satisfy specified requirements as to quality. The purpose of making purchases would be to support prices, but only the prices of products of satisfactory quality. It is not intended that the Board should give assistance, in the way of price support, to producers who turn out goods of unsatisfactory standard.

Fisheries products bought at prescribed prices must satisfy one or other of these requirements as to quality :

(a)—They must, on inspection, meet standards as to grade and quality prescribed by or under any act of the Canadian Parliament ; or

(b)—They must conform to such quality requirements as the Board may designate if they are products for which Dominion Government standards have not been established.

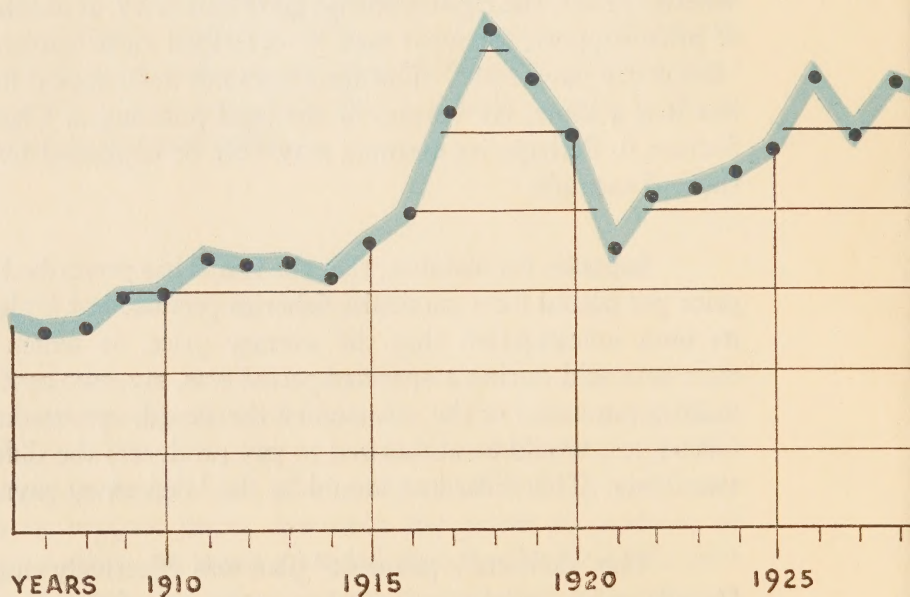
Deficiency Payments

In addition to empowering the Board to undertake buying and selling and related operations for the purpose of supporting fisheries prices, the legislation also gives authority, as another means of price support, for what may be described most conveniently as 'deficiency payments.' This term does not itself appear in the Act but it is a short, lay version of the legal phrasing of Clause (c) of Section 9. Perhaps its meaning may best be explained by a hypothetical example.

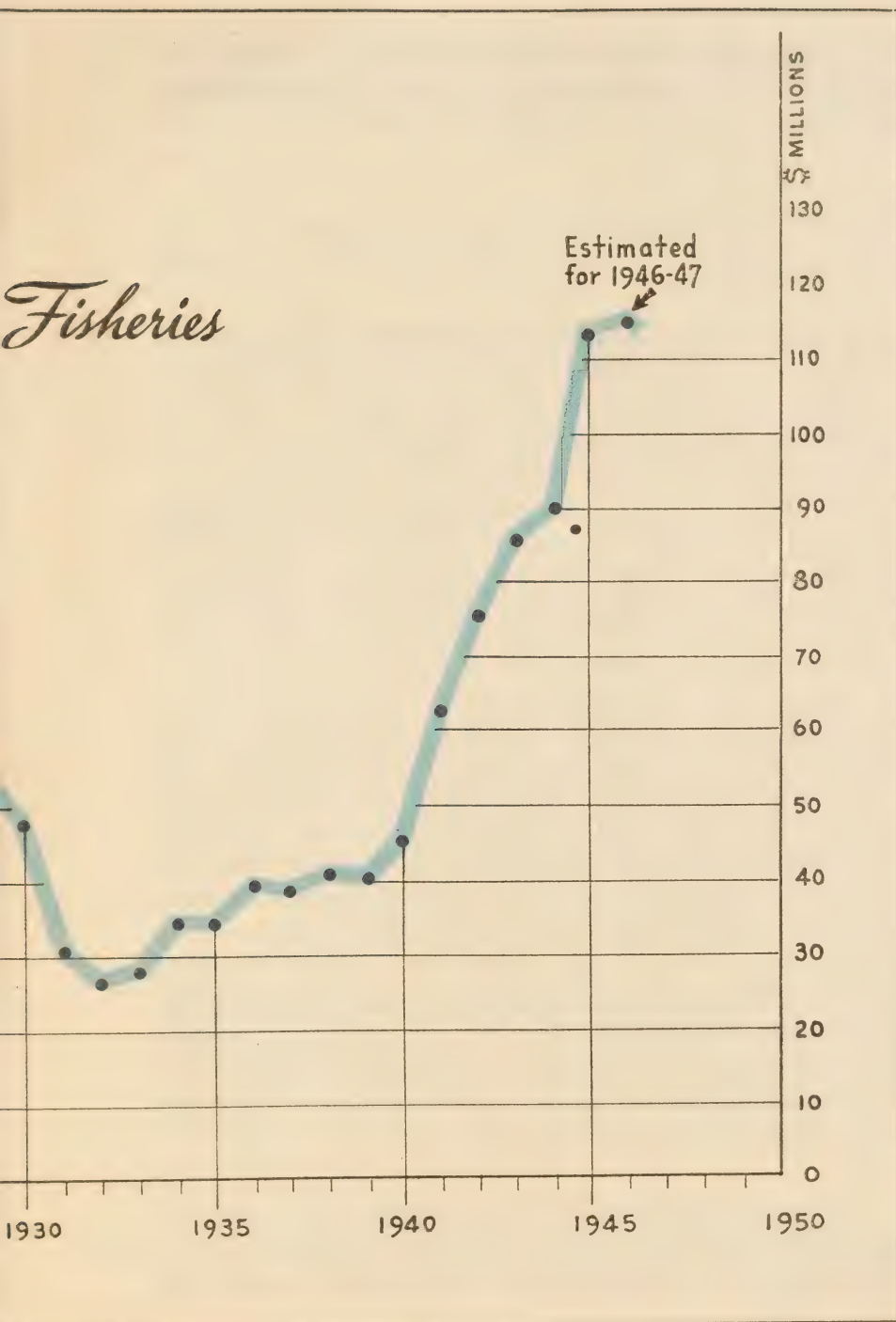
Suppose, for instance, that the Board has prescribed a certain price per pound for a particular fisheries product but finds through its own investigation that the average price, at which the product was sold during a specified period was, say, two cents less. In making purchases of the commodity the Board, proceeding under Clause (c), would be authorized to pay producers the difference of two cents. This difference would be the 'deficiency payment.'

The 'deficiency payment' plan was effectively employed in Canada on an earlier occasion when it was one of the means used to avert the destruction which certain international conditions threat-

*Total Marketed Value of the
(All Canada)*



Fisheries



ened to bring upon the dried salt fish industry. The action then taken was a form of support, though that term was perhaps not in use at the time.

Funds Available

While it is true that the scale of the Board's work, as well as the exact methods to be followed, will depend upon events and needs as they develop, the operations may require to be of very considerable magnitude and make it necessary for the Board to have substantial amounts of money available to it. Section 10 of the Act makes provision for the necessary funds — working capital for the Board, so to speak. As already pointed out, however, the purely administrative expenses, as distinct from operating expenditures, are met from a parliamentary appropriation made for the purpose.

Under Section 10 the Board has at its disposal, for other than administrative outlays, and under prescribed conditions, sums of money from the country's Consolidated Revenue Fund which must not exceed, in the aggregate, \$25,000,000. The Board may make requisitions on this money as it finds necessary but payments cannot be made to it except upon recommendation by the Treasury Board and the authorization of the Governor in Council.

A special account, known as the Fisheries Prices Support Account, is kept by the Minister of Finance. All Board expenditures, except those on the administrative side, are chargeable to the account. Proceeds obtained by the Board from the sale of fisheries products are to be credited to the account.

Proceeds coming into the account during a fiscal year will remain available for further Board expenditures but if, at the end of any fiscal year, the Board has a net operating profit the money must

be deposited in the Consolidated Revenue Fund as revenue. Net operating loss in any fiscal year may be recouped to the Fisheries Prices Support Account from money voted by Parliament for the purpose.

In determining net operating profits and losses Board inventory must be valued at actual cost.

Like other Government accounts, the books of the Board are subject to audit by the Auditor General.

Imbalance of Fisheries

Some brief examination of the history of Canada's fisheries will be helpful, and, indeed, is perhaps necessary, in reaching an adequate understanding of the importance of the Board's task. A retarding imbalance has been characteristic of the fisheries. Only in the two war periods of the century, and in lesser degree during the late '20s, has the Canadian fishing industry known relative prosperity. There was a sharp recession after the first World War; a measure of subsequent recovery; another serious recession in the early '30s. As compared with results in 1928, the total marketed value of fisheries production in 1932 showed a decrease of 50 per cent. — less than \$27,000,000 as against \$55,000,000. Some ground was slowly regained in the next few years but by 1939 the value figures had reached only \$40,000,000. The second World War had similar effect to the first — increased demand for fish, higher prices — and the Canadian fisheries output rose to high levels in dollars, unprecedentedly high levels in fact. It mounted to more than \$100,000,000, and fishermen's earnings, of course, showed very substantial increase.

The past, then, has been marked by wide fluctuations, difficulty, and imbalance in the fisheries. The people directly

engaged in them, nowadays something like 85,000, have never had assurance of a dependable livelihood. Recessions in production value, with accompanying low incomes for many fishermen, have been more frequent than the periods of relative prosperity.

As the war of 1939-45 drew to a close, and on through 1946, the industry's orders continued large and prices firm. In these circumstances operations were not needed under the Fisheries Prices Support Act, which had been passed in 1944. By the summer of 1947, however, there was a change in the fisheries situation.

By that time the postwar impact of international dislocations was beginning to be felt in the country's fisheries, which market 70 per cent. or more of their output abroad. Exchange and currency conditions had suddenly worsened. Shrinking export outlets were causing mounting inventory difficulties. In addition, the domestic problem of converting a highly-g geared wartime production to a peacetime footing was becoming more acute, and the industry's operating costs were increasing. All of these factors pointed to economic difficulty ahead.

The immediate situation was eased somewhat by Canada's decision to join in post-UNRRA relief. Of \$20,000,000 set aside for buying relief food under this decision, \$7,000,000 was earmarked for the purchase of fish for use in overseas relief feeding generally and another \$1,000,000 for fish to be contributed to the International Emergency Children's Fund. However, the purchase of these fish supplies for relief feeding was a short term undertaking. Obviously, it would not be of any permanent effect as related to the fishing industry's position.

But in line with the terms of reference of the Act itself, the Fisheries Prices Support Board has to look beyond the immediate present. It has to be one of the instruments in the industry's reconversion during the indefinite period of transition from war to peace and to assist in establishing a continuing stability and security for the industry and those engaged in it.

In Line with United Nations

As for the Board, one thing further may be pointed out. The Board is one of several Canadian agencies which, though serving national purposes, fit also into the pattern of action by the United Nations Organization for promoting world stability. Other Canadian bodies of the kind include, for instance, the Agricultural Prices Support Board, the Industrial Development Bank, and the Export Credits Insurance Corporation. While acting primarily to aid their own country, the Fisheries Prices Support Board and the other Canadian bodies also supplement and buttress such world-wide agencies as the Food and Agriculture Organization, the International Trade Organization, and the International Bank for Reconstruction and Development. There is relationship in objects between the Fisheries Prices Support Board and the other Canadian agencies in question and between the Board and the agencies of the United Nations Organization.

OFFICERS AND MEMBERS OF THE BOARD

Chairman (Acting)

STEWART BATES

Deputy Minister
Department of Fisheries, Ottawa

Vice-Chairman

W. STANLEY LEE

Halifax, N.S.

Member

Col. J. W. NICHOLLS
Vancouver, B.C.

Member

K. F. HARDING
Prince Rupert, B.C.

Member

LOUIS BÉRUBÉ

Ste. Anne de-la-Pocatière, Que.

Executive Secretary

H. C. L. RANSOM,
Ottawa

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•

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Halifax, N. S.

Vice-Chairman

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Quebec City, Que.

Member

J. B. MYRICK

Tignish, P.E.I.

Member

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Member

Capt. BEN MacKENZIE

Bridgewater, N.S.

Inland Advisory Committee

•

Chairman

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Vice-Chairman

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Member

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Prince Albert, Sask.

Member

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Gore Bay, Ont.

Member

W. SCHLADER

Edmonton, Alta.

West Coast Advisory Committee



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Vice-Chairman

J. ALEX SIM

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Member

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Vancouver, B.C.

Member

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